

(Draft - Awaiting Formal Approval)
**MINUTES OF THE
REVENUE AND TAXATION INTERIM COMMITTEE**
Wednesday, November 18, 2009 – 2:00 p.m. – Room 445 State Capitol

Members Present:

Sen. J. Stuart Adams, Senate Chair
Rep. Todd E. Kiser, House Chair
Sen. Wayne L. Niederhauser
Sen. Ross I. Romero
Sen. Howard A. Stephenson
Sen. John L. Valentine
Rep. Tim M. Cosgrove
Rep. John Dougall
Rep. Susan Duckworth
Rep. Gage Froerer
Rep. Francis D. Gibson
Rep. Wayne A. Harper
Rep. Gregory H. Hughes
Rep. Christine A. Johnson
Rep. Carol Spackman Moss
Rep. Stephen E. Sandstrom
Rep. R. Curt Webb

Members Absent:

Sen. Curtis S. Bramble
Rep. Kevin S. Garn
Rep. Evan J. Vickers

Staff Present:

Mr. Phillip V. Dean, Policy Analyst
Mr. Bryant R. Howe, Assistant Director
Mr. Robert H. Rees, Associate General Counsel
Ms. Rebecca L. Rockwell, Associate General Counsel
Ms. Phalin L. Flowers, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Kiser called the meeting to order at 2:23 p.m. Rep. Vickers was excused from the meeting.

MOTION: Rep. Webb moved to approve the minutes of the October 21, 2009 meeting. The motion passed unanimously with Sen. Niederhauser, Sen. Stephenson, Rep. Dougall, Rep. Gibson, and Rep. Hughes absent for the vote.

Mr. Dean distributed and discussed "Revenue Summary: Four Months FY 2009-10." He also discussed a report from the Utah State Tax Commission (Tax Commission) regarding nonrefundable tax credits, which was included in the supplemental mailing.

2. Property Tax Working Group Report

Rep. Froerer distributed and discussed 2010 General Session draft legislation, "Real Property Sales Information Disclosure."

MOTION: Rep. Webb moved to amend 2010 General Session draft legislation, "Real Property Sales Information Disclosure," on line 36 by adding "to a bona fide purchaser for value" before the period. The motion passed unanimously with Rep. Hughes and Rep. Johnson absent for the vote.

Mr. Shaun Teigen, Community Action Partnership of Utah, voiced concerns with the draft legislation.

MOTION: Sen. Adams moved to adopt 2010 General Session draft legislation, "Real Property Sales Price Disclosure," as a committee bill. The motion passed unanimously with Sen. Niederhauser and Rep. Harper absent for the vote.

Rep. Froerer discussed 2010 General Session draft legislation, "Joint Resolution Prohibiting Property Transfer Tax," which was included in the supplemental mailing packet.

Ms. Francisca Blanc, Policy Analyst, Utah Housing Coalition, voiced concerns with the draft legislation.

Commissioner Bruce Johnson, Tax Commission, noted an issue regarding the transfer tax language.

Mr. Peter Cannon, Davis County 9/12 Project, spoke in favor of the draft legislation.

MOTION: Sen. Romero moved to proceed to the next item on the agenda. The motion passed with Rep. Hughes and Rep. Sandstrom voting in opposition. Sen. Niederhauser was absent for the vote.

3. Tourism, Recreation, Cultural, Convention, and Airport Facilities Tax

Rep. Craig Frank discussed 2010 General Session draft legislation, "Amendments to Tourism, Recreation, Cultural, Convention, and Airport Facilities Tax Act," which was included in the supplemental mailing. He also distributed and discussed an amendment dated November 18, 2009, at 12:29 PM.

MOTION: Sen. Valentine moved to adopt the amendment to the draft legislation dated November 18, 2009, at 12:29 PM. The motion passed unanimously with Sen. Niederhauser absent for the vote.

Ms. Melva Sine, President and CEO, Utah Restaurant Association, distributed and discussed "Utah Restaurant Association." She spoke in support of the draft legislation.

Mr. Tom Guinney, Gastronomy Inc., spoke in support of the draft legislation.

Mr. Bill Malone, Utah Tourism Industry Coalition, spoke in opposition to the draft legislation.

Mr. Royce Van Tassell, Vice President, Utah Taxpayers Association, spoke in support of the draft legislation.

Mr. Jim Olsen, President, Utah Retail Merchants Association and Utah Food Industry Association, spoke in opposition to the draft legislation.

Mr. Greg Gruber, owner of six quick service restaurants, spoke in support of the draft legislation.

Mr. Brent Gardner, Utah Association of Counties, voiced his concern that more discussion is needed on the draft legislation.

Mr. Kelly Christensen, former owner of Frontier Pies and member of Utah Restaurant Association, spoke in favor of the draft legislation.

MOTION: Rep. Hughes moved to adopt 2010 General Session draft legislation, "Amendments to Tourism, Recreation, Cultural, Convention, and Airport Facilities Tax Act," as amended, as a committee bill. The motion passed unanimously with Sen. Romero absent for the vote.

4. Local Option Transportation Sales and Use Tax Working Group Report

Chair Kiser turned the chair to Chair Adams.

Sen. Niederhauser discussed 2010 General Session draft legislation, "Local Option Sales and Use Taxes for Transportation Act," which was included in the supplemental mailing packet. He also distributed and discussed "Local Option Transportation Sales and Use Taxes - Electronic Funds Transfer (EFT) Provisions and Authorization to Transfer Tax Revenues Directly to a Public Transit District Provisions," "Local Option Sales and Use Taxes for Transportation - Voter Approval Requirements," "Harmonizing Definitions," and "Local Option Sales and Use Taxes for Transportation."

MOTION: Rep. Harper moved to adopt 2010 General Session draft legislation, "Local Option Sales and Use Taxes for Transportation Act," as a committee bill. The motion passed unanimously with Sen. Romero, Sen. Valentine, Rep. Hughes, and Rep. Moss absent for the vote.

5. Tax Penalties and Credit Apportionment Working Group Report

Sen. Stephenson discussed 2010 General Session draft legislation, "Amendments to Revenue and Taxation Title," which was included in the supplemental mailing packet.

Mr. Dean distributed and discussed "Tax Penalty and Tax Credit Apportionment Working Group Recommendations."

MOTION: Rep. Johnson moved to adopt 2010 General Session draft legislation, "Amendments to Revenue and Taxation Title," as a committee bill. The motion failed with Sen. Stephenson, Rep. Cosgrove, Rep. Duckworth, Rep. Gibson, Rep. Johnson, and Rep. Moss voting in favor. Sen. Niederhauser, Sen. Romero, Sen. Valentine, and Rep. Hughes were absent for the vote.

6. Utah Tax Review Commission Report

Mr. Keith Prescott, Chair, and Mr. David Crapo, Vice Chair, Utah Tax Review Commission (TRC), distributed and discussed a letter from the TRC regarding sales and use taxes on food and food ingredients.

7. Property Tax on Water Facilities

Rep. Patrick Painter distributed and discussed an updated version of 2010 General Session draft legislation, "Joint Resolution on Property Tax Exemption for Water Facilities." He also distributed and discussed "Summary of Proposed Water Tax Exemption Legislation" and "Water Distribution Companies."

Mr. Fred Finlinson, Utah Water Coalition, answered committee questions regarding the draft legislation.

Mr. Lee Gardner, Salt Lake County Assessor, answered committee questions regarding the draft legislation.

MOTION: Rep. Gibson moved to adopt 2010 General Session draft legislation, "Joint Resolution on Property Tax Exemption for Water Facilities," as a committee bill. The motion passed with Rep. Cosgrove and Rep. Froerer voting in opposition. Sen. Niederhauser, Sen. Romero, Sen. Valentine, Rep. Dougall, Rep. Harper, and Rep. Hughes were absent for the vote.

Rep. Painter distributed and discussed 2010 General Session draft legislation, "Property Tax Exemption for Water Facilities."

MOTION: Sen. Stephenson moved to adopt 2010 General Session draft legislation, "Property Tax Exemption for Water Facilities," as a committee bill. The motion passed with Rep. Froerer voting in opposition. Sen. Niederhauser, Sen. Romero, Sen. Valentine, Rep. Harper, and Rep. Hughes were absent for the vote.

8. Individual Income Tax - Definition of Resident Individual

Mr. Bruce Johnson discussed 2010 General Session draft legislation, "Amendments to Individual Income Tax Definition of Resident Individual," which was included in the supplemental mailing packet.

MOTION: Rep. Dougall moved to adopt 2010 General Session draft legislation, "Amendments to Individual Income Tax Definition of Resident Individual," as a committee bill. The motion passed unanimously with Sen. Niederhauser, Sen. Romero, Sen. Valentine, Rep. Gibson, Rep. Harper, Rep. Hughes, and Rep. Johnson absent for the vote.

9. Amendments to Provisions Related to a Tax, Fee, or Charge Administered by the State Tax Commission

Mr. Johnson discussed 2010 General Session draft legislation, "Amendments to Provisions Related to a Tax, Fee, or Charge Administered by the State Tax Commission," which was included in the supplemental mailing packet.

Ms. Rockwell clarified several items in the draft legislation.

MOTION: Rep. Dougall moved to adopt 2010 General Session draft legislation, "Amendments to Provisions Related to a Tax, Fee, or Charge Administered by the State Tax Commission," as a committee bill. The motion passed unanimously with Sen. Adams, Sen. Niederhauser, Sen. Romero, Rep. Harper, and Rep. Hughes absent for the vote.

10. Other Items / Adjourn

MOTION: Rep. Dougall moved to adjourn the meeting. The motion passed unanimously with Sen. Adams, Sen. Niederhauser, Sen. Romero, Rep. Harper, and Rep. Hughes absent for the vote.

Chair Kiser adjourned the meeting at 5:23 p.m.